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ALL AMERICAN SEMICONDUCTOR INC
Form DEF 14A
September 15, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to Section 240.14a-12

All American Semiconductor, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
 [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

 [] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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 2) Form, Schedule or Registration Statement No.:

 3) Filing Party:

 4) Date Filed:



Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-term
		Salary (\$) (1)	Bonus (\$)	Other Annual Compensation (\$) (2)	Compensation Awards Securities Underlying Options (#)
Paul Goldberg..... Chairman of the Board	2005	273,000	-	-	-
	2004	256,000	150,000	-	13,740
	2003	243,000	-	-	41,260
Bruce M. Goldberg..... President and Chief Executive Officer	2005	381,000	-	-	-
	2004	358,000	250,000	-	19,240
	2003	339,000	-	-	58,270
Howard L. Flanders..... Executive Vice President and Chief Financial Officer	2005	203,000	-	-	-
	2004	191,000	100,000	-	10,110
	2003	181,000	-	-	30,890
Rick Gordon (5)..... Sr. Vice President of Sales Asia and Europe	2005	206,000	-	-	-
	2004	194,000	100,000	-	9,500
	2003	183,000	-	-	22,390
John Jablansky..... Sr. Vice President of Operations and Asset Management	2005	194,000 (6)	-	-	-
	2004	183,000 (6)	-	-	2,000
	2003	174,000 (6)	-	-	6,040

 (1) Salary paid to Paul Goldberg, Bruce M. Goldberg, Howard L. Flanders and

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Rick Gordon in each of the years presented was less than the amount payable under each executive officer's employment agreement with the Company as a result of voluntary salary reductions taken by the executive officers which voluntary salary reductions began in 2001.

- (2) Other annual compensation for each of the named executive officers in each of the years presented did not exceed the lesser of \$50,000 or 10% of the total of annual salary and bonus reported for such named executive officer.
- (3) All other compensation includes Company contributions to life insurance policies, where the Company is not the beneficiary, to the Deferred Compensation Plans and to the 401(k) Plan of the Company. See hereinbelow and "Deferred Compensation Plans for Executive Officers and Key Employees" and "401(k) Plan."
- (4) Includes a distribution of \$38,000 under the terms of the 1998 Deferred Compensation Plan of the Company. See "Deferred Compensation Plans for Executive Officers and Key Employees."
- (5) Rick Gordon was an executive officer of the Company on December 31, 2005 and until the termination of his employment on February 28, 2006. See "Employment Agreements - Separation Agreement."
- (6) Includes commissions paid in the aggregate amount of \$68,000 for each of the years presented.

The Company pays for a \$550,000 universal life insurance policy on the life of Paul Goldberg with benefits payable to his wife, which had an annual premium in 2005 of \$7,668. Pursuant to the terms of an employment agreement with Bruce M. Goldberg, the Company makes annual payments, currently in the amount of \$21,995, to Bruce M. Goldberg to cover the annual premium on a \$1,000,000 whole life insurance policy (the "Whole Life Policy") on the life of Bruce M. Goldberg. The Company is obligated to continue, for the duration of Bruce M. Goldberg's employment with the Company, to pay the annual premium to Bruce M. Goldberg for the Whole Life Policy. In addition, pursuant to the terms of an insurance agreement effective as of January 1, 1993 with each of Howard L. Flanders and Rick Gordon, beginning in 1993 the Company had advanced substantially all of the

9

	Shares Acquired on Exercise (#)	Value Realized(\$)(1)	Number of Securities Underlying Unexercised Options At FY-End(#) Exercisable/ Unexercisable	
Paul Goldberg.....	-	-	28,878 (E) 26,122 (U)	\$
Bruce M. Goldberg.....	15,000	12,180	45,734 (E) 36,776 (U)	
Howard L. Flanders.....	6,000	4,872	26,567 (E) 19,433 (U)	
Rick Gordon.....	8,717	27,203	14,567 (E) 15,606 (U)	
John Jablansky.....	4,000	4,648	7,224 (E) 3,816 (U)	

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- (1) Value is based upon the difference between the exercise price of the options and the last reported sale price of the Common Stock on The Nasdaq Stock Market on the date of exercise.

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- (2) Value is based upon the difference between the exercise price of the options and the last reported sale price of the Common Stock on The Nasdaq Stock Market on December 31, 2005 (the Company's fiscal year end).

Compensation Committee Report

The Compensation Committee is responsible for recommending to the Board the compensation of the executive officers, including annual base salaries, cash and non-cash bonuses, stock ownership plans, retirement plans and other benefits. With respect to the compensation of the executive officers other than the Chief Executive Officer, the Compensation Committee makes its recommendations after consulting with the Chief Executive Officer. In addition, the Compensation Committee administers the Option Plan and the Company's deferred compensation plans and will administer all future benefit plans of the Company. The policies of the Compensation Committee and the Board with respect to the compensation of

10

Plan Category	Number of Securities To Be Issued Upon Exercise of Outstanding Options, Warrants And Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Available for Under Equity Compensation (Excluding Reflected in)
Equity compensation plans approved by shareholders	427,770	\$3.56	678
Equity compensation plans not approved by shareholders	N/A	N/A	N

Deferred Compensation Plans for Executive Officers and Key Employees

Effective January 1, 1988, the Company established a deferred compensation plan (the "1988 Deferred Compensation Plan") for executive officers and key employees of the Company. The employees eligible to participate in the 1988 Deferred Compensation Plan (the "Participants") are chosen at the sole discretion of the Board, upon a recommendation from the Compensation Committee. In 2003, the 1988 Deferred Compensation Plan was amended to allow a Participant to elect to receive a lump sum benefit, providing such Participant has attained at least the age of 65 and has at such time 25 or more years of service with the Company. Pursuant to the 1988 Deferred Compensation Plan, commencing on a Participant's

13

*Assumes the investment of \$100 on January 1, 2001 and reinvestment of dividends

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(no dividends were declared on the Company's Common Stock during the period).

